

## Deferred Compensation: One-Time Contribution for Retroactive Wages FAQs

**Q. I don't currently contribute to the City's Deferred Compensation Plan. Can I still do this?**

- A. Yes, all City employees may contribute to the City's Deferred Compensation Plan, and have a Deferred Compensation Plan account regardless of whether they currently participate. For account access, visit the City's Deferred Compensation Plan website at [www.cityofseattledeferredcomp.com](http://www.cityofseattledeferredcomp.com); select the "Access your Account" button.

**Q. I want to contribute some or all of my retroactive pay. How do I do this?**

- A. Complete the attached form and turn it into the Seattle Department of Human Resources – Deferred Compensation Unit **no later than Friday, August 5, 2016 by 5:00 PM** via mail, inter-department mail, fax, or email as indicated on the form (email is preferred).

**Q. What will happen to my biweekly Deferred Compensation deduction after my retroactive pay is paid?**

- A. Your bi-weekly deduction will still occur on the August 19 paycheck; the one-time retroactive pay contribution is **in addition to** this amount. After the retroactive pay is paid on August 19, 2016, your prior standard biweekly contribution to the City's Deferred Compensation Plan will continue.

**Q. The form requires a dollar amount. Can I simply put a percentage or state "all"?**

- A. No, the extra contribution under this retroactive pay option **must be** expressed in a dollar amount. It is the only allowable choice under the Deferred Compensation Plan.

**Q. How do I find out how much my retroactive pay is?**

- A. For most employees, your estimated retroactive pay will be about 2% of your 2015 gross income -- from your 2015 W-2 -- minus the SCERS retirement deduction of 10.03% (if applicable), FICA tax of 7.65%, and Federal Tax of 25%. (Your 2015 gross income could be overstated if you have imputed income for 2015.) Your department's Payroll representative can provide further guidance on your retroactive pay amount.

**Q. Will the dollar amount on the retroactive pay election form supersede my current biweekly deduction to the City's Deferred Compensation Plan?**

- A. No, the dollar amount listed on the form is **in addition to** your standard biweekly contribution. Also, if you select an amount in excess of your retroactive pay, the amount selected, **in addition to**, your standard contribution will be deducted.

**Q. How much can I contribute to the City's Deferred Compensation Plan in 2016?**

- A. The maximum amount employees are eligible to contribute to the Plan for 2016 is \$18,000. If you will be at least 50 years of age by the end of the calendar year, you may contribute an additional \$6,000 under the Age 50+ Catch-up option for a total of \$24,000. All contributions made during the year, which includes this one-time contribution, will count toward the 2016 IRS limit.

**Q. I contacted Prudential, but they don't know anything about this option. Why?**

- A. Prudential Retirement does not handle the City's one-time retroactive pay contribution option, and they will not be able to answer questions about it. Please send any questions to [deferredcompquestions@seattle.gov](mailto:deferredcompquestions@seattle.gov)